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FEB 29 2008

Washington, DC
111**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER

48347

FACING PAGE**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: The Lugano Group Incorporated

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P. O. Box No.)

650 Poydras St. - Ste. 1400

(No. and Street)

New Orleans

LA

70130-6116

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Amir Milreskandari

(504) 529-9752

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Charles F. Webb, CPA

(Name - if individual, state last, first, middle name)

816 Baronne Street, Suite 205

New Orleans

LA

70113

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

PROCESSED

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FINANCIAL

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(a)(2)

SEC 1410 (08-02)

Potential persons who are to respond to the collection of
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CHARLES F WEBB, CPA

504-529-7558

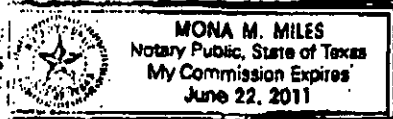
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OATH OR AFFIRMATION

1. Amir Mireskandari

, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of The Ebgano Group Incorporated, as

of _____, 20____, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



[Signature]
Notary Public

[Signature]
Executive Vice President

Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240U7a-5(e)(3).

CHARLES F. WEBB

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

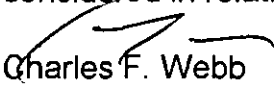
The Lugano Group Incorporated
650 Poydras Street - Ste. 1400
New Orleans, LA 70130-6116

I have audited the accompanying statement of financial condition of The Lugano Group Incorporated as of December 31, 2007 and the related statements of income, changes in stockholder's equity, changes in liabilities subordinated to claims of general creditors and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of The Lugano Group Incorporated at December 31, 2007 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. These schedules are the responsibility of the Company's management. Such schedules have been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.


Charles F. Webb
Certified Public Accountant
February 27, 2008

THE LUGANO GROUP, INCORPORATED
STATEMENT OF FINANCIAL CONDITION
December 31, 2007

ASSETS

Cash and cash equivalents	\$30,528
Securities at market value	9,898
Receivables from non customers	20,215
Secured demand notes collateralized by investments	13,000
Furniture and equipment, net of accumulated depreciation of \$12,432	-0-
Organization Cost, net of accumulated amortization of \$12,420	-0-
Total Assets	<u>\$73,641</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Note payable - Noncurrent	\$1,200
NASD Settlement payable	21500
Other current liabilities	<u>1,406</u>
	<u>24,106</u>

SUBORDINATED LIABILITIES

Liabilities subordinated to the claims of general creditors	<u>13,000</u>
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STOCKHOLDERS' EQUITY

Common stock, \$1.00 par value, 10,000 authorized, 100 shares issued and outstanding	100
Contributed capital	53,737
Retained earnings	<u>(17,302)</u>
	<u>36,535</u>

Total Liabilities and Stockholders' Equity	<u>\$73,641</u>
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See notes to financial statements.